

August 1, 2018

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**RE: *Connect America Fund, WC Docket No. 10-90; ETC Annual Reports and
Certifications, WC Docket No. 14-58; Establishing Just and Reasonable Rates
for Local Exchange Carriers, WC Docket No. 07-135; Developing a Unified
Intercarrier Compensation Regime, CC Docket No. 01-92.
Hamilton County Telephone Co-op Petition for Reconsideration***

Dear Ms. Dortch

Hamilton County Telephone Co-op (“Hamilton” or “Co-op”) respectfully submits this *ex parte* letter to encourage the Federal Communications Commission (“FCC”) to revisit and investigate the facts, and grant the Petition for Reconsideration (“Petition”) filed by the Co-op on May 8, 2018 in the above-referenced proceedings.¹

In its Petition, Hamilton seeks the opportunity for reconsideration for additional Alternative Connect America Cost Model (“A-CAM”) support, for the direct benefit of the 2200 rural locations that are left behind from equal access to comparable broadband services enjoyed by urban counterparts.

To reiterate, the Co-op submitted specific, overwhelming, undisputed, and verifiable information that an unsubsidized fixed wireless provider, Wisper, had significantly overstated its 10/1 Mbps broadband coverage on the FCC Form 477 at the time that the A-CAM offers were made to rate-of-return companies. As a direct result of the overstated broadband coverage, Hamilton was not eligible to receive A-CAM support for over 80% of the unserved, deserving locations within its study area, which remain unserved to this day. Since the A-CAM offer, Hamilton has subsequently filed a challenge, multiple *ex parte* notices, and spoken directly with Commission staff in addition to its recent Petition, to make the FCC fully aware of the issue. Also, while continuing to be drastically overstated vis-a-vis actual coverage, it is worth noting again (as stated in the petition), that Wisper has revised its Form 477 broadband coverage and reduced the number of census blocks that it claims to serve in Hamilton’s study area. Also, the

¹ Petition for Reconsideration, Hamilton County Telephone Co-op, WC Docket No. 10-90 *et al.*, filed May 8, 2018.

Co-op emphasizes that no opposition of the facts of our petition were filed by this competitor or its association denying these facts.

While the 477 is not perfect by any means and is meant to serve the public interest, it is utilized as the exclusive instrument by which the FCC 1) assesses unserved locations, and 2) directs USF support to economically enable the ability to serve such locations. However, it has no integrity, especially, if it doesn't have the ability to be corrected when proven to be in conflict with the actual facts on the ground. Not granting the Petition, in the face of the overwhelming objective evidence provided in Hamilton's challenge, much of which came directly from Wisper, as well as that conveyed in conjunction with its multiple *ex parte* meetings and letters, is tantamount to the FCC knowingly marginalizing the importance of basic reporting accuracy in its 477 process. Further, by extension, the FCC leaves a demonstrated lack of access to critical broadband services unaddressed. Without the funding identified as necessary by the FCC's own model, the locations eliminated by Wisper's critically flawed 477, will simply remain unserved.

Hamilton is a rural cooperative, working in an extremely high cost area with an average schedule status. Holding this status over time has provided the Co-op the opportunity to show good judgement, and fiduciary responsibility of the support received which has allowed it to be successful since 1952. However, its material lack of density, and a concern over significant capital spending against the backdrop of recovery uncertainty during the run up to USF reform, created a dynamic in which necessary investment to upgrade plant was simply not practical. The A-CAM was explicitly designed to help such companies "catch up," providing a mechanism to enable the investment necessary to build broadband to unserved locations. A-CAM was denied to Hamilton due to fundamental flaws in Wisper's 477, leaving a large swath of rural Americans residing within the Co-op's boundaries without access to critical broadband services.

Hamilton poses the question: why would the Co-op be denied 80% of the support for our serving area, when the facts show that the competitor serves less than 3%? But just as important, did the FCC take the actual facts and evidence into consideration? Hamilton recognizes that the FCC must further many goals at once, but also that those goals that relate to rural broadband are especially important to the Chairman and current Administration, as well as very much in the public interest.

Hamilton wishes not to believe, that if the facts presented to the Commission were not fairly considered and Hamilton's petition is denied, several thousand deserving locations in Hamilton's study area will continue to be left behind with no option for anything better.

However, Hamilton does believe, that if the FCC takes the proper time to review the facts, it will conclude that the abandoned locations represent people with the same needs as those in urban areas for health, education, communication, commerce, and wellbeing.

As General Manager of Hamilton County Telephone Co-op, I work to serve our rural co-op, its members and subscribers, treating everyone the same. We appreciate the support received and know that without support we would cease to exist.

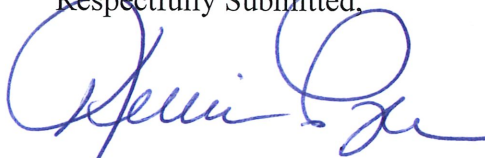
Also, as the manager, I have the obligation to speak on behalf of those being left behind, because we are now faced with a division, where only 25% of our high cost area is now supported, leaving 75% behind.

I don't believe the intent of the A-CAM was to leave folks behind. However, the FCC felt it was important to set a capped budget for the A-CAM, at a time in our history when we are in the most transitional period since the inception of the phone—a time when the support is most needed for companies to modernize to stay in step with the world. Never the less, the budget is capped at level considered to be short of the required needs, continuing to create an environment of uncertainty, for some, like Hamilton, especially when the facts presented to the Commission were not considered substantial enough evidence to warrant a correction.

In closing, I encourage the FCC to truly consider our petition for reconsideration, with a sense of urgency for the rural abandoned locations, and that it truly does matter to get this right. Whatever the outcome, the FCC should continue to review the facts presented in Hamilton's numerous filings as they relate to the trustworthiness of Form 477 data.

If you have any questions or would care to discuss, I sincerely invite you to give me a call at 618-736-2211, I will await your phone call and will be happy to discuss the facts and Hamilton's efforts to right this situation over the last two years.

Respectfully Submitted,



Kevin Pyle
GM/EVP
Hamilton County Telephone Co-op